Vendor Profile
Oracle Corporation

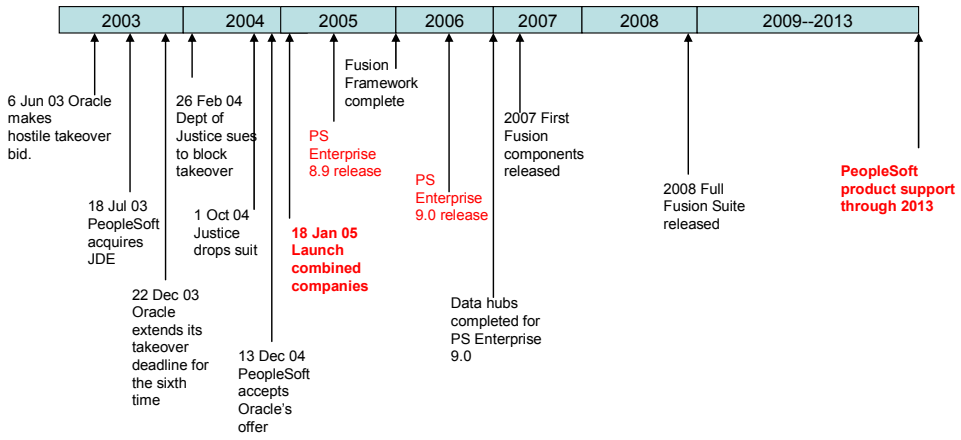
Address	500 Oracle Parkway Redwood Shores,CA 94065 (650) 506-7000 (650) 506-7200
Year Founded	1977
Annual Revenue	$10 billion
Number of Employees	40,000+

1.1 Overview

Oracle Corporation is an enterprise software company that develops, manufactures, markets, distributes and services database software and infrastructure software, including application server, collaborative software and development. The Company also offers a suite of business applications software. It is organized into two businesses, which are further organized into five operating segments. The software business consists of two operating segments: new software licenses and software license and product support. Oracle's services business consists of three operating segments: consulting, advanced product services and education.

In December 2004, the Company acquired PeopleSoft, doubling the Company's share of the ERP market. PeopleSoft had acquired JD Edwards in 2003. The PeopleSoft acquisition will require Oracle to support multiple product lines while simultaneously pursuing a significant effort to merge the diverse ERP products.

Oracle/PeopleSoft Timeline



Following is an excerpt from Oracle's Web site at http://www.oracle.com/peoplesoft/cust_commitment.html).

"Oracle will strive to preserve and enhance the value of your existing investments. Accordingly, for the PeopleSoft Enterprise and JD Edwards EnterpriseOne product lines, the combined companies plan to develop and release a subsequent version of each over the next two calendar years. The composition of such releases will consider customer feedback and guidance from user groups.

The combined companies have begun work on defining a successor product set and establishing timelines. We plan to incorporate the best features and usability characteristics from Oracle and PeopleSoft products in this new standards-based product set."

Other recent Oracle acquisitions include

- In March 2005, the Company completed the acquisition of Oblix, Inc., a privately held developer of identity-based security solutions for heterogeneous computing environments.
- In April 2005, the Company completed its acquisition of Retek, a developer of software for the retail market.

1.2 Financial Results

[1]The following financial results[2] are provided to document Oracle's fiscal viability.

Oracle	2004	2003	2002	2001
	$ shown in Millions			
New Software Licenses and Other	$3,541	$3,270	$3,513	$4,707
Software License Updates and Support	4,529	3,929	3,540	3,301
Total Revenue	10,156	9,475	9,673	10,961
Total Operating Expense	6,292	6,035	6,102	7,184
Operating Income	3,864	3,440	3,571	3,777
PeopleSoft				
Revenue	2,600	2,267	1,949	2,119

While it's outside the scope of this document to predict the financial impact of the PeopleSoft acquisition, general expectations are that PeopleSoft will make a contribution to Oracle's revenue consistent with the company's past performance

1.3 ERP Products

As a result of its acquisition strategy, combined with organic growth of its product portfolio, Oracle several ERP product suites. Oracle's application suites are, Oracle E-Business, PeopleSoft Enterprise, and JD Edwards EnterpriseOne. In this document, we discuss the Oracle and PeopleSoft product suites.

In addition to its core product offerings--for E-Business Suite and PeopleSoft Enterprise—Oracle offers additional components that can be "bolted on" to the core product in order to extend its functionality. Independent software vendors also offer numerous specialized products that can be integrated with the Oracle and PeopleSoft ERP products to extend its functionality. For more information about third-party bolt-on products, see Bolt-on Products-Current.doc.

1.3.1.1 Oracle Core Components

Oracle's core product, E-Business Suite, is an integrated family of business applications that collects, processes, and shares information from all lines of business; automates business processes so that information is shared across departments; and puts all business information in one place. The E-Business Suite includes the following modules.

[1] Source: Wall Street Journal.

[2] Revenue reported in millions ($000,000)

- Human Resources & Learning Management
- Supply Chain Execution
- Supply Chain Management
- Supply Chain Planning
- Advanced Procurement
- Financials

1.3.1.2 Oracle Bolt-on Products

Oracle provides a number of product extensions in the form of bolt-on components. Through its PartnerNetwork Program, Oracle customers can get access to product bolt-ons that extend and enhance the functionality offered by Oracle's core ERP products and proprietary bolt-ons. There are more than 14,000 partners in the PartnerNetwork Program offering a variety of applications, including:

- Intelligence
- Maintenance Management
- Manufacturing
- Marketing
- Order Management
- Product Lifecycle Management
- Projects
- Sales
- Service

1.3.1.3 PeopleSoft Core Components

The core component of Oracle's PeopleSoft product, PeopleSoft Enterprise, is a suite of applications built on Pure Internet Architecture® and designed for complex business requirements. It provides web services integration with multi-vendor and homegrown applications. PeopleSoft Enterprise can be configured and adapted to meet most customer requirements. It supports a broad range of technology infrastructures.

- Financial Management
- Human Capital Management
- Customer Relationship Management

1.3.1.4 PeopleSoft Bolt-on Products

Oracle proves a number of product extensions for their PeopleSoft Enterprise products in the form of bolt-on components. Oracle is converting former members of PeopleSoft's Partner program to Oracle's PartnerNetwork Program.

- Service Automation
- Customer Relationship Management
- Human Resources Management Systems
- Learning Management
- Financials
- Supplier Relationship Management
- Supply Chain Management

1.4 Enterprise Application Integration (EAI)

Oracle Fusion Middleware is a family of standards-based products including Oracle Application Server and related tools and options, Oracle Collaboration Suite, and Oracle Data Hubs. Oracle Fusion Middleware is intended to deliver a tightly integrated infrastructure software solution.

Oracle's Fusion Middleware products include:

- Oracle Integration - a single platform for data integration, enterprise application integration, B2B collaboration, composite applications, and Web services
- Oracle BPEL Process Manager - enables enterprises to orchestrate and execute Web services and business processes in a standards-based manner
- Oracle Data Hub - synchronizes information centrally to provide a consistent view of data from all applications that produce or consume that data.

1.5 Methodology

Oracle's implementation methodology is AIM (Applications Implementation Methodology). PeopleSoft's methodology is Compass. As the Oracle and PeopleSoft product lines converge through the Fusion initiative, their methodologies will also converge.

The AIM and Compass methodologies focus on the project tasks required to configure and implement the vendor's product suites. Neither provides a full project management or software development framework. Oracle acknowledges that these methodologies are primarily for the use of their professional services organization for delivering solutions.

Because Oracle continues to offer its Oracle E-Business and PeopleSoft Enterprise product lines, we provide an overview of both methodologies.

1.5.1 Oracle AIM[3]

Oracle's development methodology is AIM (Applications Implementation Methodology). Although AIM is primarily used by Oracle's professional services organization, Oracle provides a version for customer use marketed as AIM Advantage.

AIM consists of project management documentation templates that support the tasks performed in this methodology. AIM can be used for other software implementations but AIM's greatest value is realized when it is used in conjunction with the Oracle-specific document templates. As a result, AIM is seldom used outside the Oracle user community.

AIM is defined as a set of processes, iterated across a series of implementation phases. In its general approach and structure AIM complies with other industry-leading implementation methodologies—e.g., Unified Process. Figure 1, below illustrates some of the key activities that comprise the latest version of the AIM methodology--AIM for Business Flows. While many activities are performed concurrently, the Top Level Flow captures the essential characteristics that define the approach.

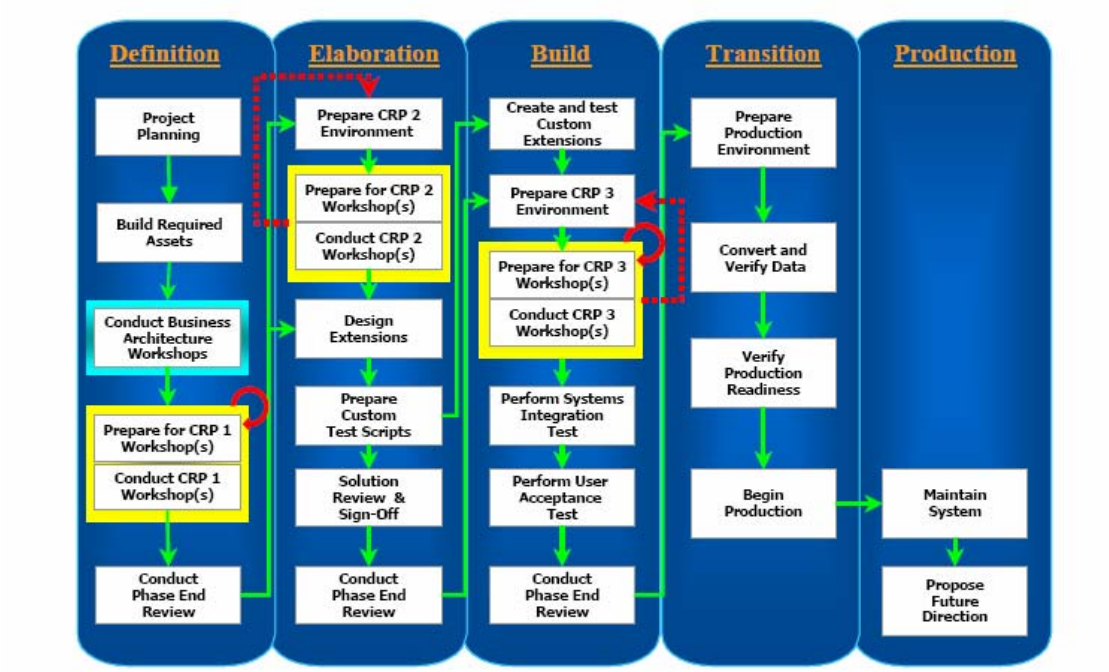


Figure 1. AIM for Business Flows top level flows

AIM for Business Flows uses project phasing to enforce quality-and-control checkpoints and allow coordination of project activities throughout the implementation. During a project phase, the project team will execute tasks in several processes. Figure 2 illustrates the relationship between phases and processes.

[3] Source: Oracle whitepaper titled, "Oracle AIM for Business Flows," August 2004.

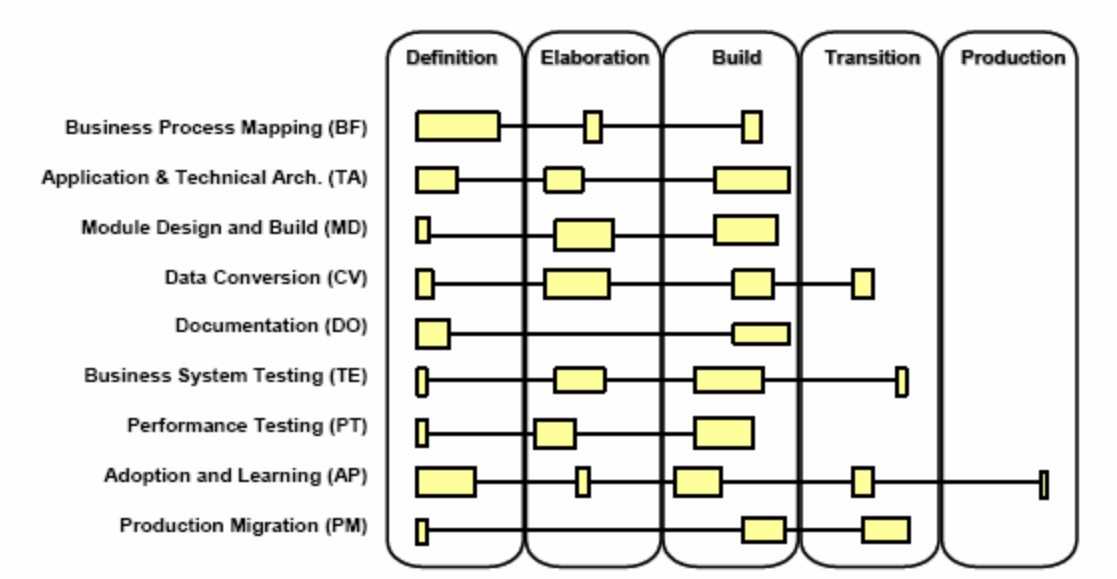


Figure 2. AIM for Business Flows Phases and Processes

1.5.1.1 Phases

Following is a description of each phase in the AIM methodology.

Phase 1: Definition

The goal of the Definition phase is to plan the project, and establish a pre-configured and tested environment for familiarizing the customer with the Business Flows being implemented.

Phase 2: Elaboration

The goal of the Elaboration phase is to refine the solution through a second iterative testing cycle. Elaboration also encompasses the design of custom extensions, refinement of the technical architecture design, and a number of Data Conversion and Performance Testing preparatory activities.

Phase 3: Build

The goal of the Build phase is to confirm that the overall solution meets the customer's business needs. During the Build phase, the environment is prepared incorporating custom extensions for the first time, and also incorporating sample converted data.

Phase 4: Transition

During Transition, the project team deploys the new system into the organization. All the elements of the implementation must come together to transition successfully to actual production. The project team trains the users while the technical team configures the Production Environment and converts data.

Phase 5: Production

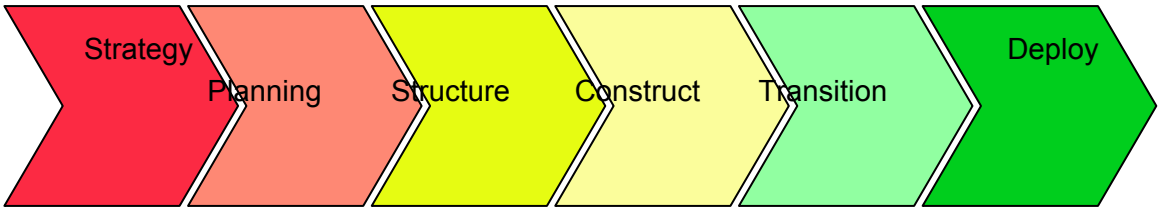
The Production phase starts immediately with the production cutover. Production marks the last phase of the implementation and the beginning of the system support cycle. Included in this final phase is a series of refinement and measurement activities.

1.5.2 PeopleSoft Compass

PeopleSoft Compass Methodology is the foundation for all PeopleSoft implementations, optimizations, and upgrades. Compass breaks implementations into small, high-value components. Each defines scope, results, and deliverables.

1.5.2.1 Phases

The Compass Methodology is comprised of six phases—Strategy, Planning, Structure, Construct, Transition, and Deploy—each building on its predecessor. The early phases help identify, quantify, and build a project plan. Later phases put the plan into action.



PeopleSoft describes the phases as follows:

Phase 1: Strategy

In this phase, the project's objectives and business drivers are assessed and documented. The project team identifies and documents critical business processes, current infrastructure, and application portfolio.

This phase generates two critical deliverables:

- An Executive Strategic Outline that includes a comprehensive list of the organization's major business drivers and business objectives
- A high-level assessment of the major product features required to achieve objectives.

Phase 2: Planning

In the Planning phase, the objective is to build a project mission, objectives, and performance measures based on strategic objectives and business drivers for the project. This is the basis for developing the project plan.

The deliverables at the end of this phase include:

- A framework for the project charter, explaining how the project will be conducted
- A list of objectives for the project

- An initial project plan with key milestones and defined deliverables

Phase 3: Structure

The framework for the project is established during the Structure phase. From information gathered in the Planning phase, the team identifies, analyzes, and prioritizes any affected business processes, and assesses the software fit within this context. A gap analysis is conducted to enable the team to plan gap solutions.

The deliverables at the end of the Structure phase include:

- Documented business needs and identified and prioritized business processes.
- Assessment of the fit of the software solution and identified gap solutions.
- Comprehensive technical architecture strategy and scope.
- Technical and functional specifications for the project.
- Training plan for the project team.
- Finalized project charter and scope.

Phase 4: Construct

During the Construct phase, the application system is configured and implemented. As part of this phase, the team will conduct initial system tests, prepare critical plans, and write documentation.

The deliverables for this phase include:

- Constructed workflows and expected outputs.
- Complete test plans.
- A production support plan.
- A go-live contingency plan.
- A fully configured system into which historical and current data can be loaded.

Phase 5: Transition

In the Transition phase, the team will finalize system configuration and setup of base tables. The production environment is prepared and final user, system, performance, and parallel tests are conducted to verify that all data is converted and to ensure a smooth transition into production. The training approach for end users is defined, training materials designed and a training environment, and train-the-trainer sessions conducted.

The deliverables for this phase include:

- A fully tested, production-ready system.
- A complete end user training approach ready for rollout.
- A tested cutover plan.

Phase 6: Deploy

This is the go-live phase.

At the end of this phase, the project will have:

- Closed the current system and turned on the PeopleSoft system.
- Moved all project support activities to the production support team.
- Trained users.
- Received go-live support from PeopleSoft Consulting for the first month's close of business—or longer—if this support is chosen.

1.5.3 Roadmaps

Oracle does not use the term "roadmap" in reference to its implementation methodology. Oracle's methodologies (AIM and Compass) define a series of processes and tasks associated with each phase of the project. These series constitute the equivalent of an implementation roadmap.

1.6 Reference Models

Oracle's reference models are represented by Oracle Business Models (OBM). OBM is a suite of process models that illustrate common business processes. Oracle Application functionality supports OBM process models.

Through its integration with OBM, AIM Advantage provides pre-defined business process models to streamline the process design effort. AIM Advantage incorporates business process design and modeling to align business processes with strategic business objectives and build industry leading practices into the implementation.

For more information about OBM, see http://www.oracle.com/.

1.7 Strengths and Weaknesses

Any assessment of strengths and weaknesses in a product is relative to the use of the product. Strength in one context may be a serious weakness in another. For example, a closely-coupled software implementation pattern that enables an application to provide sub-second response is a strength in a situation where such response is essential to the Warfighter. That same pattern would be a serious weakness in a business systems context, where it would render the software difficult to maintain and change.

The following list of Oracle's strengths and weaknesses is based on the

- Maturity and stability of the company's relevant product offerings,
- Viability of the vendor in the marketplace—financial strength and market share,
- Technology used to implement the product suite.

Product strengths and weaknesses are outside the scope of this document.

1.7.1 Strengths

Oracle's strengths include:

- The Company's financial strength allows it to absorb its acquisitions and continue to support both its existing and newly acquired customers.
- Oracle has dominated the database management market segment for many years.
- Recent acquisitions result in a strong portfolio of enterprise application products and supporting "bolt-on" functionality.

1.7.2 Weakness

Oracle's weaknesses include:

- The company's core product is its relational database management system. It's historically been positioned in the market as a DBMS vendor.
- Oracle's growth-through-acquisition strategy will require the Company to fund and support multiple product lines through 2008.